

Elkhart County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Elkhart County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Elkhart County has three cross-county units, and is the major county for each. Wa-Nee Community School Corp., Nappanee Civil Town, and Nappanee Public Library all cross into Kosciusko County.

Elkhart County has one conservancy district, New Paris Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$12.3 million or 4.80%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Middlebury Community School Corporation (\$4,255,518) and the Concord Community School Corp. (\$2,357,801).

Elkhart County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$18,045,614	\$20,094,003	\$2,048,389	11.35%
Health	2,177,110	1,633,185	-543,925	-24.98%
Children's Psychiatric Res Treatment	647,503	-0-	-647,503	-100.00%

Elkhart County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$10,716,636	\$9,672,730	-1,043,906	-9.74%

Total County levy decreased by \$63,931 or 0.15%.

Cleveland Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Emergency Fire Loan	\$95,454	\$170,471	\$75,017	78.59%

Total Township levy increased \$100,050 or 19.19%.

Fairfield Community School Corp.

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,593,341	\$3,992,120	\$398,779	11.10%
Bus Replacement	110,159	212,489	102,330	92.89%

Total School levy increase of \$733,647 or 7.74%. Bus replacement increased to allow for additional replacements for 2008.

Concord Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$6,172,705	\$8,077,193	\$1,904,488	30.85%

Total School levy increase of \$2,357,801 or 10.99%. School approved for both a lease rental agreement in 2007 for \$62M and G.O. Bonds in the amount of \$1.65M.

Middlebury Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,995,253	\$7,991,215	\$995,962	14.24%
Debt Service	3,677,762	6,985,328	3,307,566	89.93%

Total School levy increase of \$4,255,518 or 25.81%. Two new leases started payments in 2008. One from 2005 and one from 2006.

Elkhart Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Projects	\$9,145,477	\$10,469,290	\$1,323,813	14.48%

Total School levy increase of \$1,374,993 or 2.61%. CPF fund increased to max rate for 2008.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	8.51%
Industrial	7.04%
Commercial	3.54%
Residential	5.08%
Exempt	14.04%
Utility	7.17%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	6.66%	6.83%
Industrial	15.27%	15.45%
Commercial	13.13%	12.85%
Residential	60.31%	59.90%
Exempt	4.48%	4.83%
Utility	0.15%	0.15%

As can be seen from the analysis, a shift from residential and commercial property to agricultural, industrial, and exempt property occurred. This shift was approximately 0.69%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BAUGO TOWNSHIP	9.05%	1.79%	-6.65%	-6.43%	-6.04%	-14.01%
ELKHART CITY-BAUGO TOWNSHIP	1.18%	-2.49%	-3.63%	-3.22%	-2.19%	-15.66%
BENTON TOWNSHIP	12.65%	12.53%	-0.11%	0.64%	1.46%	-7.66%
MILLERSBURG TOWN-BENTON TOWNSH	-7.33%	-5.57%	1.90%	2.69%	3.93%	-9.19%
CLEVELAND TWP	8.90%	8.91%	0.01%	2.15%	3.63%	-6.76%

ELKHART CITY- CLEVELAND TOWNSHI	7.37%	7.73%	0.34%	1.66%	3.66%	-11.93%
CLINTON TOWNSHIP	5.63%	5.83%	0.20%	1.01%	1.78%	-7.19%
MILLERSBURG TOWN-CLINTON TOWNS	-1.17%	0.75%	1.95%	2.75%	3.98%	-9.14%
CONCORD TOWNSHIP	4.79%	7.80%	2.87%	5.22%	6.59%	-1.79%
ELKHART CITY- CONCORD TOWNSHIP-	6.05%	9.15%	2.92%	4.44%	6.74%	-6.80%
ELKHART CITY- CONCORD TOWNSHIP-	2.25%	2.42%	0.16%	1.47%	3.47%	-12.02%
GOSHEN CITY- CONCORD TOWNSHIP	-4.94%	-1.46%	3.67%	5.49%	7.43%	-4.13%
ELKHART TOWNSHIP	6.26%	6.10%	-0.15%	0.96%	1.77%	-6.85%
GOSHEN CITY- ELKHART TOWNSHIP	1.47%	2.48%	0.99%	1.90%	3.09%	-8.85%
HARRISON TOWNSHIP	6.01%	4.87%	-1.08%	-0.02%	1.03%	-8.91%
WAKARUSA TOWN- HARRISON TOWNSHI	14.05%	12.79%	-1.11%	-0.32%	1.08%	-11.01%
JACKSON TOWNSHIP	4.83%	5.07%	0.23%	1.02%	1.85%	-7.50%
JEFFERSON TOWNSHIP	7.96%	22.60%	13.56%	17.40%	20.39%	11.39%
LOCKE TOWNSHIP	16.29%	15.16%	-0.97%	0.18%	1.14%	-8.25%
NAPPANEE CITY- LOCKE TOWNSHIP	-0.38%	1.30%	1.69%	2.70%	4.15%	-9.24%
OLIVE TOWNSHIP	10.01%	8.72%	-1.17%	-0.12%	0.92%	-8.85%
WAKARUSA TOWN- OLIVE TOWNSHIP	1.60%	0.48%	-1.10%	-0.32%	1.08%	-10.97%
OSOLO TOWNSHIP	2.52%	2.19%	-0.33%	1.79%	3.17%	-7.54%
ELKHART CITY- OSOLO TOWNSHIP	-2.46%	-2.23%	0.23%	1.55%	3.55%	-11.85%
UNION TOWNSHIP	8.01%	7.61%	-0.37%	0.74%	1.77%	-7.49%
NAPPANEE CITY- UNION TOWNSHIP	-1.25%	0.43%	1.70%	2.73%	4.16%	-9.17%
WASHINGTON TOWNSHIP	2.18%	0.60%	-1.55%	0.46%	1.69%	-8.87%
BRISTOL TOWN	4.22%	3.44%	-0.74%	0.89%	2.61%	-10.04%
YORK TOWNSHIP	0.11%	14.10%	13.98%	17.96%	20.99%	11.81%
MIDDLEBURY TOWNSHIP	5.43%	18.39%	12.30%	15.52%	17.86%	9.68%
MIDDLEBURY TOWN	-0.44%	10.25%	10.73%	13.01%	15.42%	5.55%
GOSHEN CITY- HARRISON TOWNSHIP	-6.68%	-6.17%	0.54%	1.46%	2.79%	-10.03%
GOSHEN CITY- JEFFERSON	n/a	n/a	n/a	n/a	n/a	n/a
Average	3.59%	4.82%	4.94%	6.76%	7.90%	-4.13%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate. Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC/HSC.

The estimated reduction in net homestead tax bills for Elkhart County is 20.07%.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	29.6%	16.0%	22.2%	24.7%	3.7%	3.7%
Industrial	22.4%	7.9%	25.8%	28.1%	10.1%	5.6%
Residential	24.9%	11.1%	49.0%	13.0%	1.6%	0.3%
Overall	24.4%	11.1%	47.3%	14.1%	2.3%	0.6%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.